

Docket Nos. 00-0716
ICC Staff Ex. 1.00

DIRECT TESTIMONY

OF

THERESA EBREY

ACCOUNTING DEPARTMENT

FINANCIAL ANALYSIS DIVISION

ILLINOIS COMMERCE COMMISSION

MIDAMERICAN ENERGY COMPANY

DOCKET NO. 00-0716

JULY 2001

OFFICIAL FILE
I.C.C. DOCKET NO. 00-0716
Staff Exhibit No. 1.00
Witness _____
Date 7/3/01 Reporter JV

1 **Witness Identification**

2 **Q. Please state your name and business address.**

3 A. My name is Theresa Ebrey. My business address is 527 East Capitol
4 Avenue, Springfield, Illinois 62701.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am an Accountant in the Accounting Department of the Financial Analysis
7 Division of the Illinois Commerce Commission ("Commission").

8 **Q. What is the function of the Accounting Department of the Illinois**
9 **Commerce Commission?**

10 A. The Department's function is to monitor the financial condition of public
11 utilities as part of the Commission's responsibilities under Article IV of the
12 Public Utilities Act ("the Act") and to provide accounting expertise on matters
13 before the Commission.

14 **Q. Please describe your background and professional affiliation.**

15 A. I have a Bachelor of Science degree in Accounting from Quincy College. I
16 am a Certified Public Accountant, licensed to practice in the State of Illinois.
17 My prior accounting experience includes fifteen years as the corporate
18 controller of a large long-term care facility in Illinois, as well as a period of
19 time employed as an outside auditor of governmental agencies. I joined the
20 Staff of the Illinois Commerce Commission ("Staff") in April 1999.

39 **Q. Please describe the steps you took for your review of the PGA**
40 **reconciliation.**

41 **A. The review steps included:**

42 1) Traced gas costs and revenues from the annual reconciliation to the
43 monthly PGA reports filed with the Commission to verify that the amounts
44 reported on the annual reconciliation were the amounts actually flowed
45 through the PGA clause;

46 2) Traced gas costs and therm sales from the annual reconciliation to
47 the annual report filed by MEC to the Illinois Commerce Commission (ILCC
48 Form 21) to verify that the amounts reported in the annual reconciliation were
49 the amounts recorded in the financial records of the Company;

50 3) Traced 100% of the gas costs for a randomly selected month to
51 supplier invoices to ensure that only eligible costs are recovered through the
52 PGA clause;

53 4) Recalculated the PGA charge for a sample of customer bills from
54 each billing cycle during a randomly selected month for customers in the
55 residential, commercial and industrial classes to ensure that the PGA rate
56 has been properly billed;

57 5) Verified gas revenue for a randomly selected month by applying that
58 month's gas charge to the total therms sold for the month to ensure that the
59 reported PGA monthly revenues is appropriately stated;

60 6) Traced revenues from MEC's PGA annual reconciliation to the
61 Company's sales summary to ensure that the annual PGA revenues reported
62 in the reconciliation is supported by the sales summary;

63 7) Reviewed the Company's methodology used to cost injections and
64 withdrawals to and from storage fields to ensure that storage activity was
65 appropriately calculated in accordance with an acceptable and consistently
66 applied accounting method; and

67 8) Reviewed workpapers developed by the Company's external
68 independent auditors for their audit of the company's PGA reconciliation to
69 determine whether there were any findings from the external audit that should
70 be considered in my review.

71 **Summary**

72 **Q. Please summarize your recommendations.**

73 A. I find no reason to object to the Company's reconciliation of PGA revenues
74 collected under its Purchased Gas Adjustment Clause with the actual cost of
75 gas supplies. I recommend that the Commission accept the reconciliation of

76 revenues collected under the purchased gas adjustment clause with actual
77 costs as reflected on Schedule 1, sponsored by Company witness Roger J.
78 Miltenberger.

79 The reconciliation in this proceeding does not require an Ordered
80 Reconciliation Factor (Factor O). The under/(over)-recovery balance at the
81 end of the reconciliation year has been carried over to the following year
82 through the Adjustment Factor (Factor A) in accordance with 83 Ill. Adm.
83 Code 525.50.

84 **Q. Does this conclude your prepared direct testimony?**

85 **A.** Yes, it does.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

ILLINOIS COMMERCE COMMISSION
On Its Own Motion

-vs-

MIDAMERICAN ENERGY COMPANY

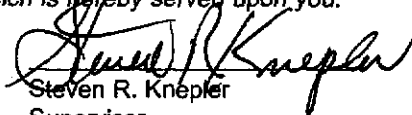
00-0716

Reconciliation of revenues collected under gas
adjustment charges with actual costs prudently
incurred.

NOTICE OF FILING

To Attached Service List:

YOU ARE HEREBY NOTIFIED that we have, on the 3rd day of July, 2001, forwarded to the Chief Clerk of the Illinois Commerce Commission, for filing in the above-captioned docket, the Direct Testimony of the Illinois Commerce Commission Staff Witness Theresa Ebrey of the Financial Analysis Division, Accounting Department, a copy of which is hereby served upon you.

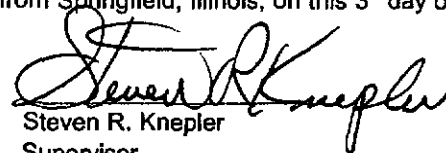


Steven R. Knepler
Supervisor

Accounting Department
527 East Capitol Avenue
Springfield, IL 62701

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT copies of the foregoing Notice, together with the documents referred to therein, were served upon the parties on the attached Service List, by messenger, electronic mail, facsimile and/or first-class mail, proper postage prepaid from Springfield, Illinois, on this 3rd day of July, 2001.



Steven R. Knepler
Supervisor

Accounting Department

MIDAMERICAN ENERGY COMPANY
Docket No. 00-0716
Service List

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ILLINOIS COMMERCE COMMISSION

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Direct Testimony and Exhibits of Staff Witness, Certificate of Service and Service List

Session Began

July 3,

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Direct Testimony & Exhibits of Staff Witness, Certificate of Service and Service List

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00-0716

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1. Direct Testimony & Exhibits of Staff Witness, Certificate of Service and Service List

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